



BOARD OF LEADERS

December 10, 2018

Dr. Wanda M. Austin
Interim President
University of Southern California
University Park Campus
Los Angeles, CA 90089

VIA EMAIL and HAND DELIVERY

The Board of Trustees
University of Southern California
University Park Campus
Los Angeles, CA 90089

SUBJECT: A Path to a Values Based Solution

Madam Interim President and Trustees,

I am writing today on behalf of the Marshall Board of Leaders. The thoughts and recommendations in this letter have the full support of our Board's 116 members. Respectfully, we believe you are gravely misinformed about the Business School's culture of diversity, inclusion, participation and fairness – across all racial, gender, religious and disability cohorts. And we propose a way forward; one that we believe is a pragmatic solution to this fundamental problem.

Betwixt and Between – the Quandary for the Trustees

I think we can all agree this has been an unprecedented couple of weeks. An unfortunate, ill-advised decision made by President Austin (which she undoubtedly believed – based on the incomplete, misinformation she had at the time – to be correct) has caused an immediate uproar across the University, its students, faculty, alumni, friends and donors. Jim Ellis, an iconic, proven leader was dismissed without a values-based process or transparency, with vague references made to a suddenly discovered but somehow previously unregistered, longstanding culture of bias and discrimination towards race and gender at Marshall.

The actual facts on the ground concerning Marshall's culture of diversity, inclusion and fairness are quite different. The Marshall School under Dean Ellis has been a trailblazer for USC in developing and implementing diversity and inclusion initiatives and outcomes. They have been well documented publicly, are based on extensive external reviews, interviews and peer-comparisons and across all stakeholders--students, faculty/staff and alumni, alike. Let's look at the most recent public findings:

- *This year, Bloomberg Business Week awarded Marshall its highest rating – “extremely positive” – across the board for its treatment of: (i) racial, religious and ethnic minorities, (ii) women, (iii) people of all sexual orientations and gender identities, (iv) international students, and (v) people with disabilities*
[\(https://www.bloomberg.com/business-schools/2018/usc-marshall/\)](https://www.bloomberg.com/business-schools/2018/usc-marshall/).
- *Poets and Quants recently commended the Marshall School for having more female MBA students (52%) and more underrepresented minority students (22%) than any other major business school in the nation*
[\(https://poetsandquants.com/2018/10/25/meet-usc-marshalls-mba-class-of-2020/\)](https://poetsandquants.com/2018/10/25/meet-usc-marshalls-mba-class-of-2020/).
- *Five of the seven members (71%) of the Dean's Cabinet are women—the Vice Dean for Faculty & Academic Affairs (Nandini Rajagopalan), Vice Dean for Graduate Programs (Suh-Pyng Ku), Vice Dean for Online*

Education & Centers of Excellence (Sandra Chrystal), Associate Dean for External Relations & Chief Development Officer (Rachel Morrell) and Associate Dean for Marketing & Communications (Evie Lazzarino). Further, three of the nine members of the Department Chairs Council are women, as are five of the seven members of the Marshall Faculty Council, including the Chair. Marshall was also the first school on campus to appoint a Faculty Diversity Recruitment Advisor (Sharoni Little) and was the first full-time MBA program of any major university to achieve gender parity.

- *USC Marshall's Faculty Council has, within the past week, surveyed the school and one of the key themes resulting was finding widespread support for Dean Jim Ellis as "fair, unbiased, and supportive of a positive culture". Furthermore, the mean scores for the four quantitative measures used to solicit perspectives regarding faculty desire for more input, faculty interest in more information, and faculty assessment of the Dean's performance ranged between 4.5 and 4.8 out of 5.0. An impressive consensus.*
- *Marshall was also one of the first schools at USC to implement mandatory unconscious bias training for all recruiting committees and mandatory diversity and inclusion training for all faculty. And Marshall has consistently been commended by the Provost's Office for the transparency, thoroughness and care evident in its tenure and promotion cases.*

The Board of Leaders is proud and supportive of the Marshall culture, and has engaged on this point with Dean Ellis for more than a decade as he has championed this critically-important aspect of the school – and he has led it by personal example at all times. We know without reservation that the Marshall School of Business will stand tall and excel in any thorough, professional evaluation/examination of this critical aspect of its environment and operations. Simply said, the best person to lead Marshall towards a nation-leading ethos of diversity, inclusion and social responsibility is already working at Bridge Hall today. It's Jim Ellis.

The Cooley Report

The Cooley report was inadequate. We know that members of the Marshall team (including the Dean) were not interviewed and the report was not made available to Jim. In fact, no one was interviewed—at the School, in University administration, complainants, anyone.

- Further -- we do not know if Marshall was singled out or if the Cooley review looked at the processes and conduct of the entire University including the historical performance over the same period of the OED and administration.
- We trust the report at least benchmarked Marshall's performance against other business schools of similar stature across the nation. But again – we don't know.

An insufficient, 'made to order' report does not meet minimum professional standards of best practices. The document lacks professional standing and cannot be considered sufficient for any executive decision-making or employment actions of this nature against Jim, or anyone else. It will not be respected by the USC community on its merits, which appear to be woefully lacking... and you've already been hearing that very crescendo from across the Trojan Family this month.

Given the strength of the Business School, its national recognition and the incredible impact Dean Ellis has had on the School, it's no wonder the Marshall community erupted upon hearing the news. The reaction was then amplified when we learned about the lack of transparency, the deficiencies of the 'report' itself, and the manner in which Dean Ellis was dismissed.

We expect more from our University's leaders—far more.

Is There a Way Forward?

The answer is yes – but it is going to take more work. We, therefore, recommend that the University undertake a fresh, independent evaluation/investigation of Marshall's ethos. The Interim President should form an independent committee – diverse in its own composition – to review and assess the School's actual and relative performance/adherence to:

- The University's values,

- The stated goals of the Administration (at the time), and
- The code of conduct as it relates to inclusion, equity and diversity

In addition – this examination should make specific, prioritized and pragmatic recommendations for improvement and correction, if needed. We also recommend that the review appropriately benchmark Marshall’s performance.

The findings of the examination should be made public.

Most importantly, the employment actions prematurely taken toward Dean Ellis should be reversed, or at the very least stayed immediately. To the extent the findings indicate the need for personnel changes (of any kind) those changes should be considered at that time.

Oversight for the Examination

We recommend a nine-person panel be named to oversee this review at the Marshall School of Business.

- The committee should include:
 - Two Trustees
 - Two University administration executives
 - Two Marshall faculty/staff representatives (undergraduate and graduate)
 - Two Marshall students (undergraduate and graduate)
 - One representative from the Marshall Board of Leaders
- The Trustees should have the right to disapprove of any nominee, *with good reason*, and one of the Trustees shall serve as Chair.
- Given the sensitivities created by this situation, the following individuals should be excluded from actively participating on the oversight committee: Interim President Austin, Provost Michael Quick, USC General Counsel Carol Mauch Amir, and Chair Rick Caruso. In addition, Dean Ellis should not serve on the Committee.
- The review should be performed – and completed no later than March 31, 2019 – by an independent law/consulting firm of national stature. Cooley should be excluded from consideration.

If the examination makes findings that the Marshall culture is both professionally sound and trajectory-positive (*as the Board of Leaders and the spectrum of Marshall stakeholders think it is*), and yet suggests constructive recommendations for further initiatives, then Dean Ellis shall be directed to fully incorporate those findings into the architecture of a new nation-leading initiative and fully execute and implement it under his respected, proven leadership across Marshall by June 30, 2020.

Whatever the findings, the Marshall Board of Leaders will support the implementation of the independent committee’s pragmatic recommendations – even if a pattern of neglect and dismissiveness is unexpectedly identified – because it will then be facts and evidence-based. It is our objective that Marshall be a beacon of diversity, inclusion and excellence for the academic and business worlds, alike. We would hope this new ‘Marshall Model/Initiative’ will become a focal cornerstone of the Business School’s 2020 Centennial Celebration and shall serve as the preeminent standard to be emulated and pursued by all leading business schools across the nation.

Should the Trustees not pursue a fact-based complete review, as we have suggested, we are afraid USC’s cultural spiral of innuendo, misinformation and mistrust will accelerate. There is simply too much water that has passed under the bridge. A “business as usual” alternative is no longer viable.

Summary

USC again stumbled these past two weeks. That said, there is a way forward for Interim President Austin and the Trustees and an opportunity for University-wide healing to begin. But it starts with truth, fairness and a thorough and transparent process driven by USC’s core values.

We hope you recognize this unique and powerful opportunity and choose to embrace it. If so, the Board of Leaders stands ready to work with you so that we can move forward.

On behalf of the USC Marshall Board of Leaders,

A handwritten signature in blue ink, appearing to read "G. R. Hillgren", with a long horizontal stroke extending to the right.

Gregory R. Hillgren
Vice-Chairperson
USC Marshall Board of Leaders